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Central America: US Policy September 1989

Background: Central America comprises Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. (Historically Panama and Belize have not been considered part of Central America.) Although Costa Rica has a long history of democratic government, its regional neighbors have suffered political, economic, social, and security problems that have undermined development of democratic institutions and norms. US policy and efforts to promote democracy and achieve peace have, however, contributed to the resurgence of democracy in El Salvador, Honduras, and Guatemala. The most encouraging developments have been the strengthening of democratic institutions and growing cooperation among the democracies, aided by democratic leadership training, cooperation among democratic political parties, and educational exchanges and scholarships. The direction for these and other political, economic, social, and security programs was strengthened by the National Bipartisan Commission on Central America (the Kissinger commission), appointed by President Reagan in 1983. Its Central America Democracy, Peace, and Development Initiative was launched in 1984 with a $3.7 million supplemental appropriation, and, since 1985, $4.9 billion (four-fifths of it economic aid) has been approved for the four Central American democracies. The US has supported the Central Americans in the Central American peace process, which comprises the 1987 plan authored by Costa Rican President Arias and subsequent agreements made by the five Central American presidents.

Regional security: In the 1980s, funds obligated for military assistance to the Central American democracies have amounted to about $1 billion. In fiscal year 1988, $133 million in US military assistance constituted about 14% of the entire package.

The $500 million in military aid given annually to the Nicaraguan Government by the Soviet Union has helped create a Nicaraguan military force as large as the other Central American forces combined. Therefore, US military assistance to the democracies remains essential. We continue to raise our concerns with the Soviet Union regarding the unnecessarily high levels of its military assistance to Nicaragua and Nicaraguan, Cuban, and Eastern bloc support for the Salvadoran guerrillas.

Central American peace process: In August 1987, in Guatemala City, the five Central American presidents signed the Central America peace plan, known as the Arias plan or Esquipulas II accord. This agreement pledges democratization, national reconciliation, non-use of territory for attack on other states, amnesty, and cessation of aid to irregular forces. In January 1988, in San Jose, Costa Rica, the five presidents issued a joint declaration calling for a renewed commitment to compliance with Esquipulas II. The San Jose declaration focused on the need for democratization as a necessary prerequisite to many of the peace plan's provisions. The February 1989 meeting of regional presidents at Tesoro Beach, El Salvador, supplemented past agreements. It called for Nicaragua to reform its electoral and media

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laws to allow a free and fair election in February 1990. It also called for formulation of a plan for the voluntary demobilization, repatriation, and relocation of the Nicaraguan Resistance and their families and Nicaraguan refugees. At Tela, Honduras, in August 1989, a summit decision was made to carry forward the voluntary demobilization, repatriation, and relocation of the Nicaraguan Resistance by December 5, 1989. The Tela summit also called on the FMLN (Farabundo Marti National Liberation Front) guerrillas in El Salvador to cease hostilities and demobilize. On the eve of that summit, the Sandinistas signed an electoral reform agreement with their internal political opposition promising many reforms, such as elimination of the draft; granting of television airtime for the opposition's campaign; guaranteeing access to campaign and election-day activities for official observers; and granting full and unconditional amnesty after the Resistance is demobilized, repatriated, or relocated.

Bipartisan agreement on Central America: In a bipartisan agreement reached in March 1989, President Bush and the congressional leadership of both parties pledged to work in tandem and consult regularly to achieve US policy goals: democratization; an end to Nicaraguan subversion and destabilization of its neighbors; and an end to Soviet bloc military ties with Nicaragua that threaten US and regional security. The US reiterated its strong support for the Esquipulas II and Tesoro Beach accords and reaffirmed its policy that any future settlement must be based on credible standards of compliance, strict timetables for enforcement, and effective means to verify the democratic and security requirements in the Central American accords.

The agreement extended humanitarian assistance to the Nicaraguan Resistance through February 1990, the date that the Nicaraguan Government has set for elections under international supervision, and also provided that these funds would be available to support voluntary repatriation or voluntary regional relocation by the Resistance. Military assistance to the Nicaraguan Resistance was terminated in February 1988.

Economic development: US economic aid to the four democracies since 1985 comes to about $4 billion. The expansion of nontraditional exports, supported by the US Caribbean Basin Initiative, and improved economic policies have contributed to economic growth. Costa Rica and Guatemala have established a firm basis for sustained growth, but more remains to be done in El Salvador and Honduras. Nicaragua's economy is still deteriorating despite some $500 million in economic aid annually from the Soviet Union and its allies.

Social development: The US has worked with the four regional democracies to strengthen social and democratic political institutions and to promote human rights. Although human rights abuses by the governments and military forces of Guatemala, Honduras, and El Salvador have declined considerably, our goal is to eliminate these abuses completely. The Administration of Justice Program--a collaborative effort of the Departments of State and Justice and the Agency for International Development (AID)--helps strengthen judicial systems and the professional training of investigators. Various AID programs help meet housing, education, health, and nutrition needs.

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